

Margin Pledge Process

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Margin Pledge

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SEBI Circular – on margin by way of pledge/repledge



CIRCULAR

SEBI/HO/MIRSD/DOP/CIR/P/2020/28

February 25, 2020

To,

**All Recognised Stock Exchanges
All Recognised Clearing Corporations
All Depositories**

Dear Sir / Madam,

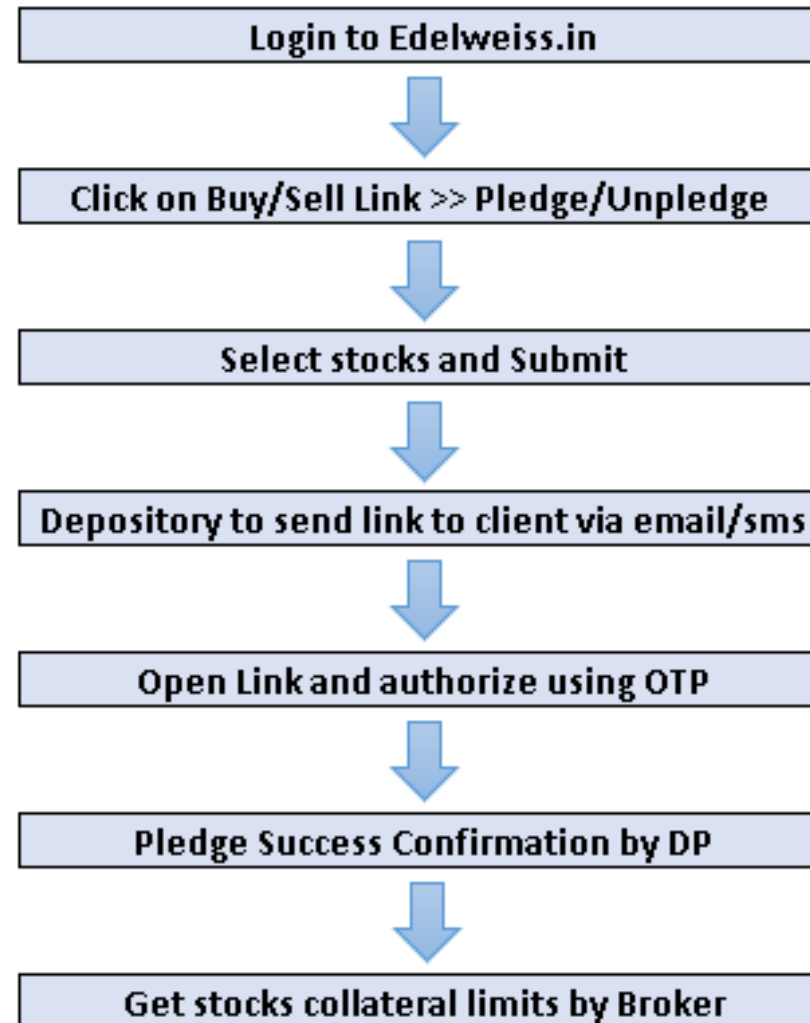
Subject: Margin obligations to be given by way of Pledge/ Re-pledge in the Depository System

1. SEBI had extensive consultations with Stock Exchanges, Clearing Corporation and Depositories and industry representatives of Trading Members (the “TM”) / Clearing Members (the “CM”) / Depository Participants (the “DP”), to devise a framework that mitigates the risk of misappropriation or misuse of client's securities available with the TM / CM / DP. The misappropriation or misuse would include use of one client's securities to meet the exposure, margin or settlement obligations of another client or of the TM / CM. The matter was also discussed in the Secondary Market Advisory Committee meeting.

Acti

https://www.sebi.gov.in/legal/circulars/feb-2020/margin-obligations-to-be-given-by-way-of-pledge-re-pledge-in-the-depository-system_46082.html

Margin Pledge Process – For POA clients



Step 1: Margin Pledge Initiation

Login to Edelweiss.in >> Click on Buy/Sell Link >> Click on Pledge/Unpledge

NIFTY: 11433.40 ▲ 61.80 (0.54%)SENSEX: 38638.86 ▲ 204.14 (0.53%)

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Edelweiss

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153

What do you want to do?

New


Invest in Smallcase

All Weather Investing



Tell me
to invest
I have some money

I want to,
Open a trading
Account



I Have A
Financial
Target
and want to achieve it

New

Take charge of your
finances...

Create a financial checklist today!

PLACE ORDER

Stocks, Mutual Funds, SIPs,
Currency etc.

Order Status

My Positions

Funds Available

Pledge / Unpledge Request

Transfer Funds

See Holdings

My Watchlist

My Alerts

Margin Files

Activate Windows
Go to Settings to activate Windows.

Step 2: Select the stocks to pledge & Click on Pledge

HIFTY: 10747.10 ▼ -66.35 (-0.61%)

SENSEX: 36521.67 ▼ -216.02 (-0.59%)

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FAQS

OPEN AN ACCOUNT

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Edelweiss

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SELF INVESTING

WATCH MARKETS

VIEW RESEARCH

GAIN KNOWLEDGE

What are you looking for?

Profile / Pledges

Pledges

Unpledge

Pledges last updated on 2 July, 2020

Collateral Limits

Available for margin pledge

₹12,87,69,597.88

₹9,87,69,597.88

<input type="checkbox"/>	ISIN DP ID / DP Ac no.	Symbol/Name LTP/NAV	Holding Qty/ Withheld Qty	Exchange Haircut/ Exchange Margin	Risk Haircut/ Risk Margin	Qty for pledge	Approx Margin Created
<input checked="" type="checkbox"/>	INE769A01020 NJ0371910602143	Infosys Ltd ₹ 65,913.90	10,000 20,15,000	10% ₹9,30,30,000.99	10% ₹9,30,30,000.99	90,30,30,000	₹ 90,30,30,000
<input checked="" type="checkbox"/>	INE769A01020 NJ0371910602143	Canara Robeco BlueChip Fund (G) ₹ 25.72	10,000 ₹9,30,30,000.99	10% ₹9,30,30,000.99	10% ₹9,30,30,000.99	90,30,30,000	₹ 90,30,30,000
<input checked="" type="checkbox"/>	INE769A01020 NJ0371910602143	Indian Railway Catering and Tourism... ₹ 33.45	10,000 ₹9,30,30,000.99	10% ₹9,30,30,000.99	10% ₹9,30,30,000.99	90,30,30,000	₹ 90,30,30,000
<input type="checkbox"/>	INE769A01020 NJ0371910602143	Hero Motors Co Ltd ₹ 65,913.90	10,000 ₹9,30,30,000.99	10% ₹9,30,30,000.99	10% ₹9,30,30,000.99	90,30,30,000	₹ 90,30,30,000

3 Selected

Approx Margin Created

₹15,000

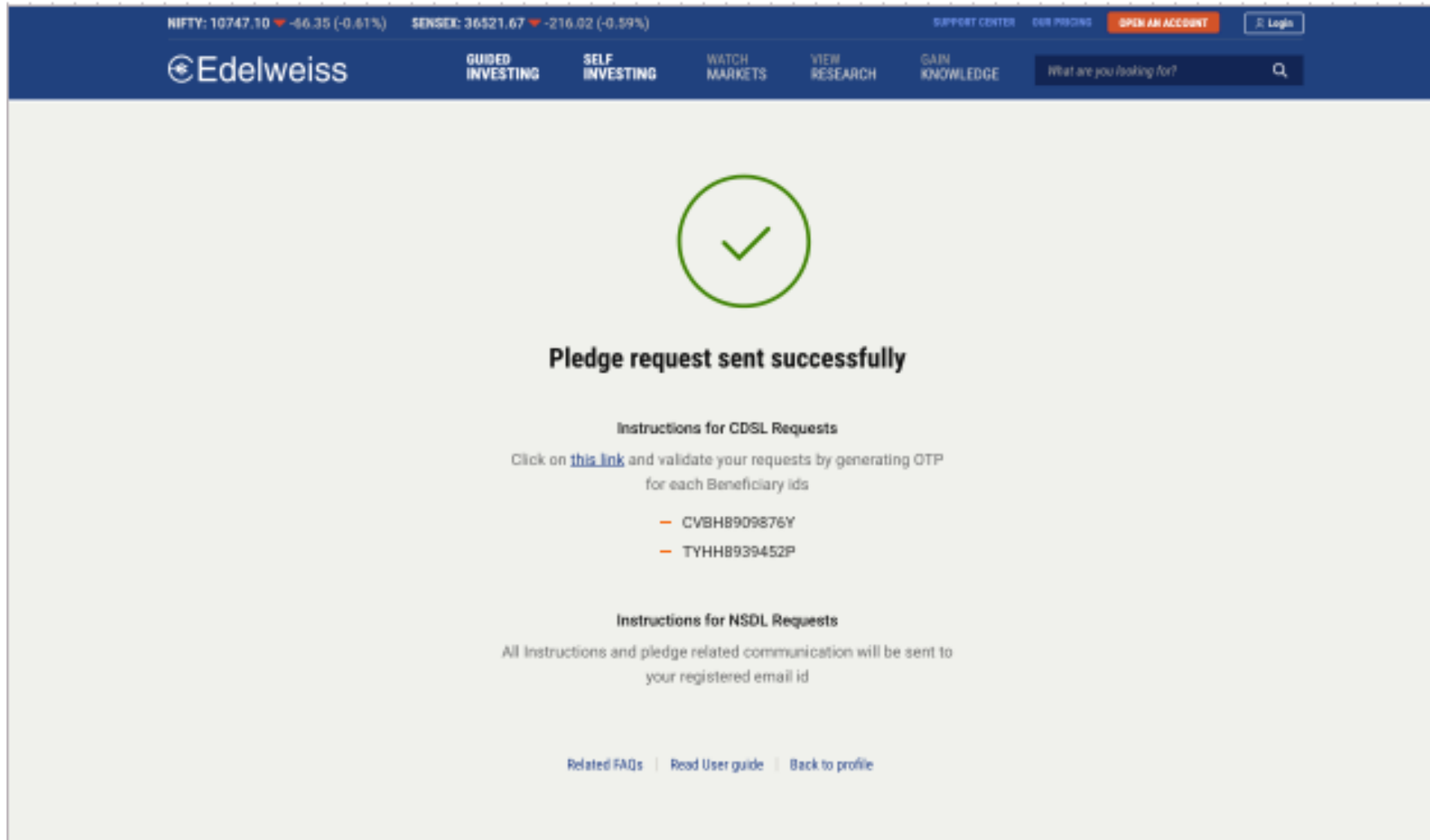
Registered Mobile no & email id for OTP
9879876567 | Karan.malhotra@gmail.com

Edit details

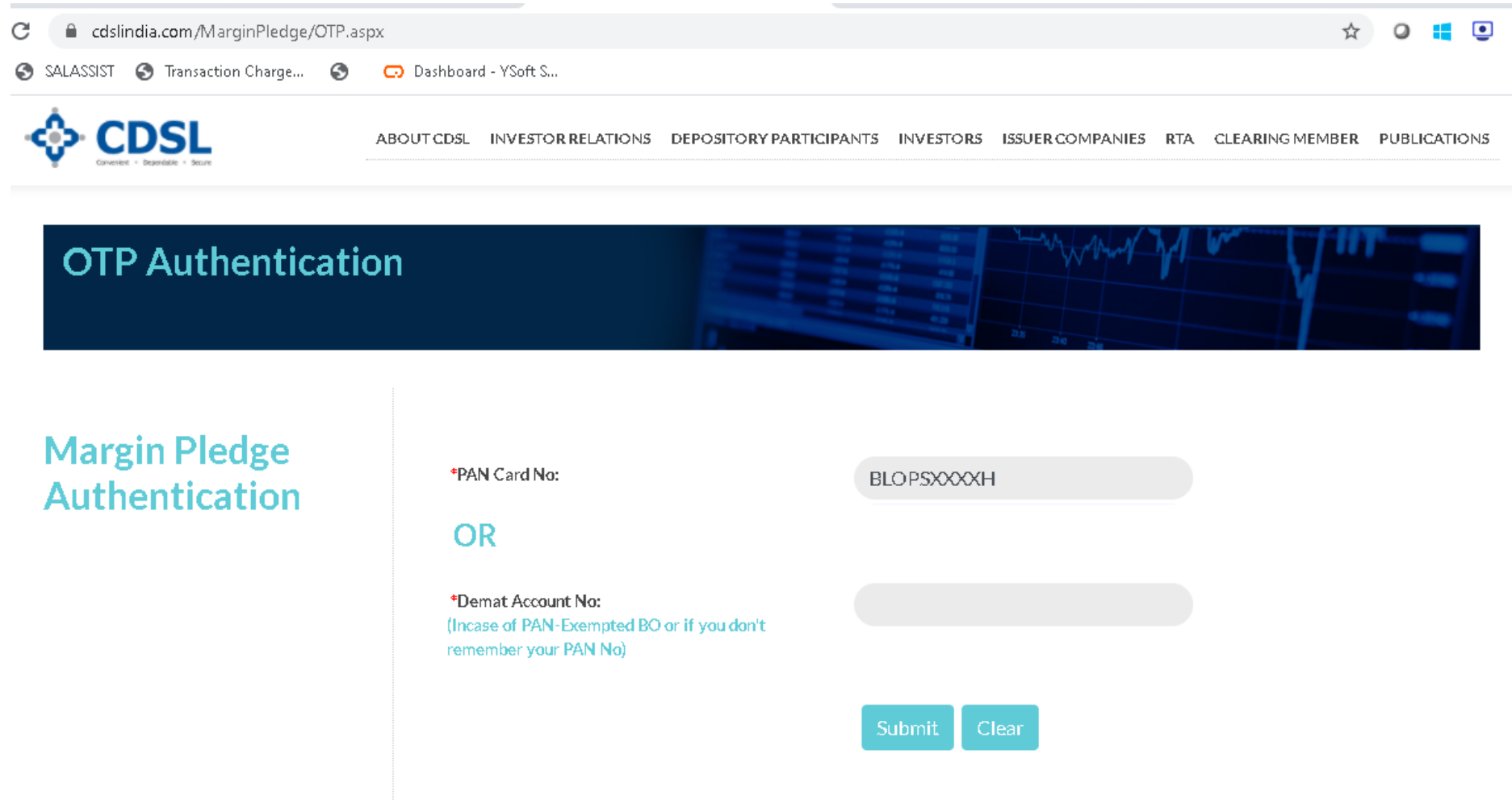
Pledge

Cancel

Step 3: Wait for SMS/Email from your Depository and open the link in SMS/Email once you get it



Step 4: Enter your Pan or Demat account no.



The screenshot shows a web browser window with the URL `cdslindia.com/MarginPledge/OTP.aspx`. The browser's address bar and tabs are visible. Below the browser window, the CDSL logo is on the left, and a navigation menu with links like 'ABOUT CDSL', 'INVESTOR RELATIONS', 'DEPOSITORY PARTICIPANTS', 'INVESTORS', 'ISSUER COMPANIES', 'RTA', 'CLEARING MEMBER', and 'PUBLICATIONS' is on the right. A large banner with the text 'OTP Authentication' and a background image of a stock market chart is displayed. Below the banner, the page is divided into two main sections. The left section, titled 'Margin Pledge Authentication', is separated from the right section by a vertical dotted line. The right section contains two input fields. The first field is labeled '*PAN Card No:' and contains the text 'BLOPSXXXXH'. Below this field is the word 'OR' in a large, teal font. The second field is labeled '*Demat Account No:' and contains the text '(Incase of PAN-Exempted BO or if you don't remember your PAN No)'. At the bottom of the right section, there are two buttons: 'Submit' and 'Clear'.

cdslindia.com/MarginPledge/OTP.aspx

SALASSIST Transaction Charge... Dashboard - YSoft S...

CDSL
Convenient • Dependable • Secure

ABOUT CDSL INVESTOR RELATIONS DEPOSITORY PARTICIPANTS INVESTORS ISSUER COMPANIES RTA CLEARING MEMBER PUBLICATIONS

OTP Authentication

Margin Pledge Authentication

*PAN Card No: BLOPSXXXXH

OR

*Demat Account No:
(Incase of PAN-Exempted BO or if you don't remember your PAN No)

Submit Clear

Step 5: Select the stocks, Click on Generate OTP and enter the OTP. Click on Submit.



[ABOUT CDSL](#) [INVESTOR RELATIONS](#) [DEPOSITORY PARTICIPANTS](#) [INVESTORS](#) [ISSUER COMPANIES](#) [RTA](#) [CLEARING MEMBER](#) [PUBLICATIONS](#)

Submit

Clear

<input type="checkbox"/>	PSN No	Pledgor Bo Id	Pledgee Bo Id	ISIN No	ISIN Name	Quantity	Pledge Type
<input type="checkbox"/>	5215876	1203230000XXXX	1203230005041035	INE205A01025	VEDANTA LTD-EQ RE1/-	1.000	Margin Pledge

Generate OTP

Regenerate OTP

***Kindly enter OTP received on Mobile and Email**

***OTP:**

Submit

Important Information :

Your OTP is valid for 15 minutes from the time of request. If you have not used this OTP within 15 minutes, please request for a fresh OTP.

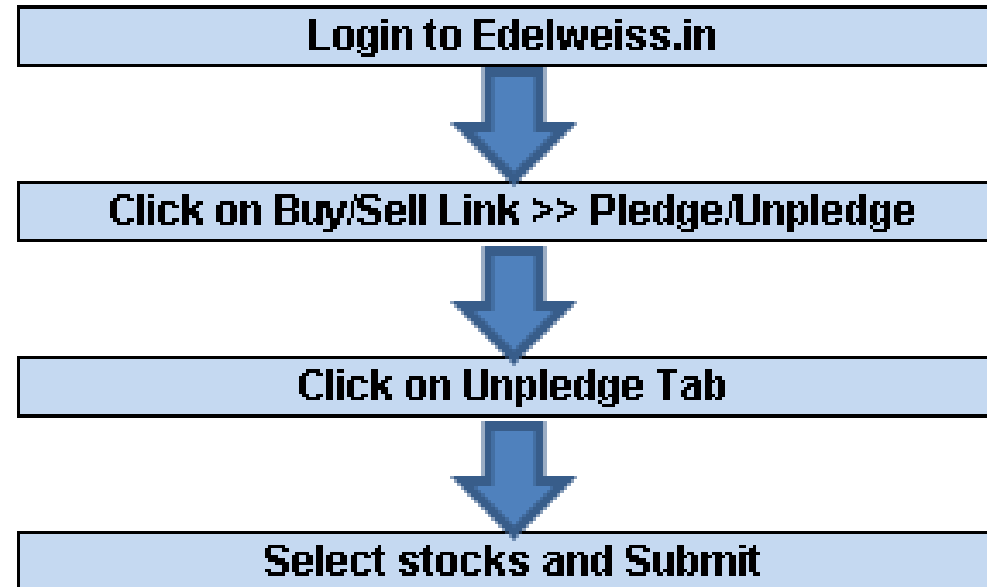
Margin Pledge Process - NON-POA/Outside DP clients:

1. Pledge process for Client who have not given POA will have to visit their respective depositories website/app to initiate pledge on stocks.
2. Only once the pledge is initiated and authorized, they will get limits against stocks collateral and their pledged stocks will be considered for exchange margin reporting.
3. Pledge can be initiated via CDSL Easiest or NSDL Speedy applications.
4. Stocks need to be pledged in favor of:
 - Broker TM Account For Margin Pledge: Edelweiss Broking Limited
 - CDSL: 1203230005041035
 - NSDL: IN303719-11079884
 - Default Exchange-NSE
 - Default Segment – All (07)

Margin Pledge Process – For MTF Funded stocks and Stocks bought on debit (CUSA Stocks)

1. For trades initiated in the MTF product/CUSA stocks, the pledge process will be initiated by the broker on T day EOD with the depositories.
2. This will be an advance pledge requests for the stocks that the client has bought in MTF product/CUSA stocks.
3. The depositories will send a link to the client on client's registered email id and mobile number with the depositories to authorize the pledge request.
4. Client will need to authorize this pledge request as per process mentioned in earlier slide by T+1 days EOD.
5. Failure to authorize the pledge request by T+1 day EOD will lead to liquidation of MTF stocks purchased/CUSA stocks on T+3 day.

Unpledge Process



- On unpledge request is received, Broker will then validate the unpledge request at End of Day:
- If post unpledging of stocks client comes under exchange margin shortfall, then unpledge request will be rejected.
- If post unpledging of stocks client does not comes under exchange margin shortfall, then unpledge request will be processed.
- Unpledging of stocks – one or multiple stocks, fully or partially will be at the discretion of the broker depending on the margin requirements of the client.
- Cut-off time for creation of unpledge requests – 6PM.

Unpledge Request

NIFTY: 10747.10 ▼ -66.35 (-0.61%)SENSEX: 36521.67 ▼ -216.02 (-0.59%)

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What are you looking for?

Profile / Pledges

Pledges

PledgesUnpledge

Pledges last updated on 2 July, 2020

Collateral Limits

₹12,87,69,597.88

<input type="checkbox"/>	ISIN DP ID/ DP Ac no. PSN No.	Symbol/Scheme Name LTP/NAV	Holding Qty/ Holding Value	Collateral Qty/ Collateral Value	Exchange Haircut/ Exchange Margin	Risk Haircut/ Risk Margin	Qty for unpledge	Approx Margin Released
<input type="checkbox"/>	INE769A01020 N30371910589143 ABCD7199435781	HEROMOTOCORP ₹ 65.913	10,000 ₹9,30,30,000.99	10,000 ₹9,30,30,000.99	10% ₹9,30,30,000.99	10% ₹9,30,30,000.99	90,30,30,000	₹ 90,30,30,000
<input type="checkbox"/>	INE769A01020 N30371910589143 ABCD7199435781	Canara Robeco Bluechip... ₹ 65.913	10,000 ₹9,30,30,000.99	10,000 ₹9,30,30,000.99	10% ₹9,30,30,000.99	10% ₹9,30,30,000.99	90,30,30,000	₹ 90,30,30,000
<input type="checkbox"/>	INE769A01020 N30371910589143 ABCD7199435781	HEROMOTOCORP ₹ 65.913	10,000 ₹9,30,30,000.99	10,000 ₹9,30,30,000.99	10% ₹9,30,30,000.99	10% ₹9,30,30,000.99	90,30,30,000	₹ 90,30,30,000
<input type="checkbox"/>	INE769A01020 N30371910589143 ABCD7199435781	Axis BlueChip Fund (G) ₹ 667.990	10,000 ₹9,30,30,000.99	10,000 ₹9,30,30,000.99	10% ₹9,30,30,000.99	10% ₹9,30,30,000.99	90,30,30,000	₹ 90,30,30,000
<input type="checkbox"/>	INE769A01020 N30371910589143 ABCD7199435781	HEROMOTOCORP ₹ 65.913	10,000 ₹9,30,30,000.99	10,000 ₹9,30,30,000.99	10% ₹9,30,30,000.99	10% ₹9,30,30,000.99	90,30,30,000	₹ 90,30,30,000

Margin Pledge Charges

For Pledge and Unpledge, appropriate charges would be debited to ledger as levied by the Depository.

Charge Type	Depository	Charges
Margin Pledge	CDSL	6 Rs (5Rs Pledge + 1 Rs Repledge)
Margin Unpledge	CDSL	6 Rs (5Rs Unpledge + 1 Rs Unpledge of Repledge)
Margin Pledge – MTF	CDSL	12 Rs
Margin Unpledge – MTF	CDSL	12 Rs
Margin Pledge	NSDL	6 Rs (5Rs Pledge + 1 Rs Repledge)
Margin Unpledge	NSDL	6 Rs (5Rs Unpledge + 1 Rs Unpledge of Repledge)

<https://www.cdslindia.com/common/DownloadFile.aspx?eventid=DP2020-359&action=communique>

<https://nsdl.co.in/downloadables/pdf/2020-0114-Annexure.pdf>

<https://nsdl.co.in/downloadables/pdf/2020-0114-Policy-Amendments%20to%20Business%20Rules%20of%20NSDL.PDF>

Important Links:

- **SEBI Circular on Margin Pledge/Repledge:**

https://www.sebi.gov.in/legal/circulars/jul-2020/implementation-of-sebi-circular-on-margin-obligations-to-be-given-by-way-of-pledge-re-pledge-in-the-depository-system_47190.html

https://www.sebi.gov.in/legal/circulars/feb-2020/margin-obligations-to-be-given-by-way-of-pledge-re-pledge-in-the-depository-system_46082.html

https://www.sebi.gov.in/legal/circulars/may-2020/implementation-of-circular-on-margin-obligations-to-be-given-by-way-of-pledge-re-pledge-in-the-depository-system-extension_46705.html

Thank You